

E-FILED ON November 9, 2006

Annette W. Jarvis, Utah Bar No. 1649  
 Steven C. Strong, Utah Bar No. 6340  
 RAY QUINNEY & NEBEKER P.C.  
 36 South State Street, Suite 1400  
 P.O. Box 45385  
 Salt Lake City, Utah 84145-0385  
 Telephone: (801) 532-1500  
 Facsimile: (801) 532-7543  
 Email: ajarvis@rqn.com

Lenard E. Schwartzer, Nevada Bar No. 0399  
 Jeanette E. McPherson, Nevada Bar No. 5423  
 SCHWARTZER & MCPHERSON LAW FIRM  
 2850 South Jones Boulevard, Suite 1  
 Las Vegas, Nevada 89146-5308  
 Telephone: (702) 228-7590  
 Facsimile: (702) 892-0122  
 E-Mail: bkfilings@s-mlaw.com

Attorneys for Debtors and Debtors-in-Possession

## UNITED STATES BANKRUPTCY COURT

## DISTRICT OF NEVADA

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

Chapter 11

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND,  
 LLC,  
 Debtor.

Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Affects:

- ☒ All Debtors
- ☐ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC

**NOTICE OF FILING OF (A)  
 PROPOSED NOTICE CONFIRMATION  
 HEARING AND RELATED  
 DEADLINES; (B) PROPOSED  
 SOLICITATION AND NOTICE  
 PROCEDURES; AND  
 (C) PROPOSED FORM OF BALLOTS  
 (AFFECTS ALL DEBTORS)**

**DISCLOSURE STATEMENT HEARING**  
**Date: November 13, 2006**  
**Time: 9:30 a.m.**

**CONFIRMATION HEARING:**  
**Date: December 15, 2006**  
**Time: 9:30 a.m.**

SCHWARTZER & MCPHERSON LAW FIRM  
 2850 South Jones Boulevard, Suite 1  
 Las Vegas, Nevada 89146-5308  
 Tel: (702) 228-7590 · Fax: (702) 892-0122

Debtors, after consulting with the official committees, hereby provide a notice of (i) the proposed notice of confirmation hearing and related deadlines relating to confirmation of the "Debtors' Second Amended Joint Plan of Reorganization" (the "Plan"), which is attached hereto as Exhibit "A"; (ii) proposed solicitation and balloting procedures, which are attached hereto as Exhibit "B," and (iii) a proposed form of ballot for soliciting votes on the acceptance or rejection of the Plan, which is attached hereto as Exhibit "C." At the hearing to approve the "Disclosure Statement For Debtors' Second Amended Joint Plan Of Reorganization Dated November 6, 2006" (the "Disclosure Statement"), the Debtors, with support of the official committees appointed in these cases, will seek Court approval of these procedures, notice and form of ballot. If approved, the Debtors intend to request that any order approving the Disclosure Statement incorporate these procedures.

Respectfully submitted this 9<sup>th</sup> day of November, 2006.

/s/ Jeanette E. McPherson

Lenard E. Schwartz, Nevada Bar No. 0399  
 Jeanette E. McPherson, Nevada Bar No. 5423  
 SCHWARTZER & MCPHERSON LAW FIRM  
 2850 South Jones Boulevard, Suite 1  
 Las Vegas, Nevada 89146

and

Annette W. Jarvis, Utah Bar No. 1649  
 Steven C. Strong, Utah Bar No. 6340  
 RAY QUINNEY & NEBEKER P.C.  
 36 South State Street, Suite 1400  
 P.O. Box 45385  
 Salt Lake City, Utah 84145-0385

**Exhibit "A"**

SCHWARTZER & MCPHERSON LAW FIRM  
 2850 South Jones Boulevard, Suite 1  
 Las Vegas, Nevada 89146-5308  
 Tel: (702) 228-7590 · Fax: (702) 892-0122

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 36 South State Street, Suite 1400  
 P.O. Box 45385  
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# UNITED STATES BANKRUPTCY COURT

## DISTRICT OF NEVADA

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED  
 FUND, LLC,  
 Debtor.

In re:  
 USA CAPITAL FIRST TRUST DEED FUND,  
 LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR  
 Chapter 11  
 Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

## **NOTICE OF CONFIRMATION HEARING AND RELATED DEADLINES AND PROCEDURES FOR SEEKING APPROVAL OF AND OBJECTION TO CONFIRMATION OF THE DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION (AFFECTS ALL DEBTORS)**

**CONFIRMATION HEARING:**  
**Date: December 15, 2006**  
**Time: 9:30 a.m.**

On November \_\_\_, 2006, the Disclosure Statement dated November 7, 2006 (the "Disclosure Statement") filed by the above-captioned Debtors was approved by order of the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court") as containing adequate information in accordance with Bankruptcy Code § 1125(a) (the "Disclosure Statement Order"). The Bankruptcy Court has authorized the Debtors to distribute the Disclosure Statement and all exhibits and supplements, including their Second Amended Joint Plan of Reorganization dated November 6, 2006 (the "Plan"), as such Plan may be further amended and authorized the Debtors to solicit acceptances of the Plan.

**PLEASE TAKE NOTICE THAT:**

1. The hearing to consider the confirmation ("Confirmation") of the Plan will be held on December 15, 2006 at 9:30 a.m. (the "Confirmation Hearing"), in the courtroom of the Honorable Linda Riegler, United States Bankruptcy Judge, in Courtroom 2 of the Foley Federal Building located at 300 North Las Vegas Boulevard in Las Vegas, Nevada. The Confirmation Hearing may be continued from time to time by announcement in open Court without further notice to parties in interest. Additionally, the Plan may be modified, pursuant to Bankruptcy Code section 1127, prior to or as a result of the Confirmation Hearing without further notice to parties in interest.

2. Any objections to Confirmation of the Plan must conform with the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Nevada and be filed with the Court (with a courtesy copy delivered to the Judge's chambers), and copies must be served on each of the following parties (the "Notice Parties") so that it is filed with the Court and served on the Notice Parties on or before December 6, 2006 (the "Confirmation Objection Deadline"):

Ray Quinney & Nebeker PC  
36 S. State Street, Suite 1400  
P.O. Box 45385  
Salt Lake City, UT 84145-0385  
Fax: (801) 532-7543  
Attn: Annette W. Jarvis, Esq.  
[ajarvis@rqn.com](mailto:ajarvis@rqn.com)  
Counsel for Debtors and Debtors-In-Possession

Schwartzter & Mcpherson Law Firm  
2850 South Jones Boulevard, Suite 1  
Las Vegas, NV 89146  
Fax: (702) 892-0122  
Attn: Lenard E. Schwartzter, Esq.  
[lschwartzter@s-mlaw.com](mailto:lschwartzter@s-mlaw.com)  
Local Counsel for the Debtors

<p>             1 Stutman, Treister &amp; Glatt              2 1901 Avenue of the Stars, 12th Floor              3 Los Angeles, CA 90067              4 Fax: (310) 228-5788              5 Attn: Eve H. Karasik, Esq.              6 <a href="mailto:ekarasik@stutman.com">ekarasik@stutman.com</a>              Counsel for the Official Committee of Equity              Holders of USA Capital First Trust Deed Fund,              LLC           </p>	<p>             Gordon &amp; Silver, Ltd.              Gerald M. Gordon              3960 Howard Hughes Pkwy., 9th Floor              Las Vegas, NV 89109              Fax: (702) 796-5555              Attn: Gregory E. Garman, Esq.  <a href="mailto:geg@gordonsilver.com">geg@gordonsilver.com</a>              Counsel for the Official Committee of Holders              of Executory Contract Rights through USA              Commercial Mortgage Company           </p>
<p>             7 Orrick, Herrington &amp; Sutcliffe LLP              8 400 Capitol Mall, Suite 3000              9 Sacramento, CA 95814-4497              10 Fax: (916) 329-4900              11 Attn: Marc A. Levinson, Esq.              12 <a href="mailto:mlevinson@orrick.com">mlevinson@orrick.com</a>              Counsel for the Official Committee of Equity              Holders of USA Capital Diversified Trust              Deed Fund, LLC           </p>	<p>             Lewis and Roca LLP              3993 Howard Hughes Pkwy., Suite 600              Las Vegas, NV 89109              Fax: (702) 949-8398              Attn: Rob Charles, Esq.  <a href="mailto:rcharles@lrlaw.com">rcharles@lrlaw.com</a>                Counsel for the Official Committee of              Unsecured Creditors of USA Commercial              Mortgage Company           </p>
<p>             14 Office of the United States Trustee              15 300 Las Vegas Boulevard, Suite 4300              16 Las Vegas, NV 89101              17 Fax: (702) 388-6658              18 Attn: August B. Landis, Esq.  <a href="mailto:augie.landis@usdoj.gov">augie.landis@usdoj.gov</a>              Assistant United States Trustee           </p>	

19 3. The Debtors shall file (with a courtesy copy delivered to the Judge's chambers) their  
 20 memoranda of points and authorities in support of Confirmation (including its response to all  
 21 objections filed by the Confirmation Objection Deadline); and all evidence in support of  
 22 Confirmation of the Plan (collectively, the "Confirmation Brief") by December 12, 2006 (the  
 23 "Confirmation Brief Deadline"). On the Confirmation Brief Deadline, the Debtors shall serve the  
 24 Confirmation Brief on: (1) counsel for each of the official committees appointed in these cases; (2)  
 25 the Office of the United States Trustee; and (3) any party that filed an objection to Confirmation of  
 26 the Plan.

27 4. The Debtors shall file and serve the final forms of the Direct Lender Supplement with the  
 28 Court on or prior to November 24, 2006.

SCHWARTZER & MCPHERSON LAW FIRM  
2850 South Jones Boulevard, Suite 1  
Las Vegas, Nevada 89146-5308  
Tel: (702) 228-7590 · Fax: (702) 892-0122

1 5. The Debtors shall file the final forms of the Plan Documents Supplement with the Court on  
2 or prior to December 5, 2006.

3 6. Objections to confirmation of the Plan and the Confirmation Brief must have evidentiary  
4 support. Pursuant to Local Rule 9017, alternate direct testimony – i.e., declarations and affidavits  
5 – will be used for presenting evidence in connection with the Confirmation Hearing. With respect  
6 to objections to Confirmation of the Plan, all declarations of witnesses and exhibits in support  
7 thereof that are intended to be presented at the Confirmation Hearing must be filed with the Court  
8 on the Confirmation Objection Deadline – i.e., on or before December 6, 2006. With respect to  
9 the Confirmation Brief, declarations of witnesses and exhibits in support thereof that are intended  
10 to be presented at the Confirmation Hearing must be filed with the Court on the Confirmation  
11 Brief Deadline – i.e., on or before December 12, 2006 .

12 7. All declarants or affiants in support or opposition to the Confirmation of the Plan (except  
13 for declarants making declarations of service) must appear and be available, without need for  
14 subpoena, for cross-examination at the Confirmation Hearing. The testimony of any declarant or  
15 affiant who does not appear and make himself or herself available for cross-examination at the  
16 Confirmation Hearing will be stricken from the record and will not be considered in determining  
17 contested matters at the Confirmation Hearing unless such party's appearance has been excused by  
18 order of the Court.

19 Respectfully submitted this \_\_\_\_\_ day of November, 2006.

21 \_\_\_\_\_  
22 Lenard E. Schwartzer, Nevada Bar No. 0399  
23 Jeanette E. McPherson, Nevada Bar No. 5423  
24 SCHWARTZER & MCPHERSON LAW FIRM  
25 2850 South Jones Boulevard, Suite 1  
26 Las Vegas, Nevada 89146

27 and

28 Annette W. Jarvis, Utah Bar No. 1649  
RAY QUINNEY & NEBEKER P.C.  
36 South State Street, Suite 1400  
P.O. Box 45385  
Salt Lake City, Utah 84145-0385

**Exhibit "B"**

### **SOLICITATION PROCEDURES**

1. The record date for purposes of determining the creditors and equity interest holders entitled to receive a Solicitation Package (defined below) and to vote on the Plan shall be **[November 6], 2006** (the “Voting Record Date”).

2. The following holders of claims and equity interests (or the transferee of such claims or interests as of the Voting Record Date pursuant to Fed. R. Bankr. P. 3001(e)) shall receive solicitation packages and may be entitled to vote on the Plan:

(a) holders of claims appearing on the Debtors’ bankruptcy schedules (“Schedules”) filed with the Court to the extent such claims are not scheduled as disputed, contingent, or unliquidated;

(b) creditors who have filed a proof of claim on or before the Voting Record Date to the extent no objection to the claim has been filed with the Court;

(c) direct lenders who appear in the Debtors’ accounting records as of the Voting Record Date as a lender on one or more of the loans serviced by USACM (“Direct Lenders”);

(d) holders of equity interests appearing on the Debtors’ lists of equity security holders that were deemed to have been filed with the Court pursuant to a prior order of the Court;

(e) holders of equity interests who file a proof of interest on or before the Voting Record Date to the extent no objection to the equity interest has been filed with the Court; and

(f) creditors and equity interest holders who are not listed in the Schedules (or whose claims are listed as disputed, contingent or unliquidated) and who do not have a proof of claim or proof of interest on file by the Voting Record Date, but who file a proof of claim or proof of interest on or before the initial Claims Bar Date of November 13, 2006, will receive a solicitation package. The Debtor is allowed additional time to provide packages to these parties and they will be served as soon as reasonable possible.

3. The voting deadline for receipt of ballots (“Ballots”) accepting or rejecting the Plan shall be **[December 8], 2006** (the “Voting Deadline”). The Debtors may extend the Voting Deadline without further order of the Court, but notice of any such extension shall be provided to voting creditors and interest holders. A Ballot will not be counted as a vote to accept or reject

the Plan unless it is properly executed, completed and delivered by (a) first class mail, (b) overnight courier, or (c) personal delivery so that it is actually received by the Debtors’

Solicitation Agent, BMC Group, Inc. (the “Solicitation Agent”) at the appropriate address listed below by no later than the Voting Deadline:

<u>Regular Mail:</u>	<u>Hand Delivery or Overnight Courier:</u>
BMC Group Attn: USACM Solicitation Agent PO Box 911 El Segundo, CA 90245-0911	BMC Group Attn: USACM Solicitation Agent 1330 E. Franklin Ave. El Segundo, CA 90245

4. Copies of the following materials shall constitute the “Solicitation Package”:
- (a) a notice of the hearing indicating the time, date and place at which the Court will consider confirmation of the Plan and of the deadline for filing objections to such confirmation (“Notice of Confirmation Hearing”);
  - (b) the Debtors’ Disclosure Statement relating to the Plan (the “Disclosure Statement”), as it may be approved by the Court (with all exhibits thereto, including the Plan, and any other supplements or amendments which may be filed with the Bankruptcy Court);
  - (c) any supplemental solicitation materials the Debtors or Committees may file with the Court or that the Court may order to be distributed;
  - (d) the Court’s order approving the Disclosure Statement (without exhibits);
  - (e) Ballot(s) with voting instructions;
  - (f) a pre-addressed, return envelope;
  - (g) a “Notice of Non-Voting Status with Respect to Unimpaired Claims Deemed to Accept the Plan”; and
  - (h) a “Notice of Non-Voting Status with Respect to Impaired Classes Deemed to Reject the Plan.”

5. The Debtors shall serve items (a) through (d) in paragraph 4 above, by United States mail, first class, postage prepaid, on the most current Limited Mailing Matrix on file with the Court as of the Voting Record Date.

6. The Debtors shall solicit the votes of creditors and equity interest interest holders by serving items (a) through (f) in paragraph 4 above by mail on those persons listed in paragraph 2 above (except as provided below).

7. The Debtors shall serve the Solicitation Package by first-class mail by no later than **November 20, 2006** (except as provided in paragraph 2(f) above) on the parties and in the manner described herein.

7. In accordance with § 1124 of the Bankruptcy Code, classes [ ] under the Plan are unimpaired by the Plan and therefore, under § 1126(f) of the Bankruptcy Code, holders of claims in such classes are presumed to have accepted the Plan and their votes will not be solicited. The Debtors will mail to such holders items (a) and (g) in paragraph 4 above.

8. Under the Plan, holders of interests in classes [ ] are not entitled to receive or retain any property on account of such interests and, in accordance with § 1126(g) of the Bankruptcy Code, are impaired by the Plan and deemed to have rejected the Plan. Accordingly, their votes will not be solicited. The Debtors will mail to such holders items (a) and (h) in paragraph 4 above.

9. The items listed in paragraph 4 above (other than Ballots) can be obtained by accessing the Debtor's website at [usacapitalcorp.com](http://usacapitalcorp.com) or the Solicitation Agent's website at [www.bmcgroup.com/usacmc](http://www.bmcgroup.com/usacmc), or by contacting the Solicitation Agent in writing at BMC Group,

Attn: USACM Solicitation Agent, 1330 E. Franklin Avenue, El Segundo, CA 90245, via e-mail at [usacmc@bmcmgroup.com](mailto:usacmc@bmcmgroup.com), or by calling (888) 909-0100.<sup>1</sup>

10. In tabulating votes, the following hierarchy shall be used to determine the amount associated with each creditor's or equity interest holder's vote:

For Creditors

(a) The claim amount contained in a proof of claim, provided however, that creditors who timely filed proofs of claim in unliquidated, contingent, unknown or blank amounts and that are not the subject of an objection filed before the voting on the Plan, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and will count as Ballots for claims in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of Section 1126(c) of the Bankruptcy Code.

(b) The claim amount listed in the Debtors' Schedules, provided that such claim is not scheduled as contingent, disputed or unliquidated and has not been paid prior to the voting on the Plan.

(c) As to Direct Lenders who submit a Ballot for [Class \_\_\_\_] under the Plan, such Ballot will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and will count as a claim in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of Section 1126(c) of the Bankruptcy Code.

For Equity Holders

(d) The equity holder's asserted interest deemed, pursuant to a Court Order, to be listed on the Debtors' Schedules, unless the equity holders' interest has filed a proof of interest on or before the Voting Record Date asserting an interest in a different amount, in which case the proof of interest amount will be counted.

The amounts established pursuant to this section shall be deemed to be controlling for voting purposes only, and shall not constitute the Allowed amount of any claim or interest for distribution purposes.

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<sup>1</sup> Copies of Ballots will not be available on the websites. Voting creditors or interest holders must contact the Solicitation Agent directly in writing or by telephone if they need a replacement Ballot.

11. The following voting procedures and standard assumptions shall be used in tabulating ballots:

- (a) No Ballot should be delivered to any of the Debtors, their agents (other than the Solicitation Agent), or the Debtors' financial or legal advisors. Any such Ballots will not be counted.
- (b) The Solicitation Agent shall date-stamp all Ballots immediately upon receipt. The Solicitation Agent shall retain the original Ballots together with an electronic copy of the same for a period of one (1) year after the Effective Date of the Plan, unless otherwise ordered by the Court.
- (c) Creditors must vote all of their claims or equity interests within a particular Plan class either to accept or reject the Plan and may not split their vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted.
- (d) If a Ballot is executed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of corporations, or others acting in a fiduciary or representative capacity on a creditor's or Beneficial Holder's behalf, such person or persons shall indicate such capacity when executing the Ballot, and, if necessary, will be required or requested by either the applicable Nominee or its agent, the Solicitation Agent, the Debtors or the Court, to provide proper evidence to the requesting party to so act on behalf of such claimant or Beneficial Holder.
- (e) The Debtors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, provided however, that any such waivers will be documented in the Voting Report.
- (f) Neither the Debtor, nor any other person or entity, shall be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will incur any liability for failure to provide such notification.
- (g) Unless waived or otherwise ordered by the Bankruptcy Court, any defects or irregularities in connection with receipt of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted.
- (h) In the event a designation of vote is requested by a party-in-interest under Section 1126(e) of the Bankruptcy Code, such vote will be counted by the Debtors as ordered by the Court, after notice and a hearing in accordance with Section 1126(e).

- (i) Subject to any contrary order of the Court, the Debtors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided however, that any such rejections will be documented in the Voting Report.
- (j) A Ballot cast by a holder that cannot be identified as a holder of a claim or interest entitled to vote in a class as provided in the Plan and for the amount specified on such Ballot, shall not be counted unless such Ballot is submitted with respect to a claim for which a motion under Fed. R. Bankr. P. 3018 has been filed.
- (k) If a claim has been estimated or otherwise allowed for voting purposes by final order of the Court, such claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution.
- (l) Except as otherwise provided herein, unless the Ballot furnished is submitted timely on or prior to the Voting Deadline, the Debtors shall treat the Ballot as invalid and such Ballot will not be counted with respect to confirmation of the Plan.
- (m) The method of delivery of Ballots sent to the Solicitation Agent is at the election and risk of the voting creditor or equity holder, but, except as otherwise provided in the Disclosure Statement, such delivery will be deemed made only when the original executed Ballot is actually received by the Solicitation Agent on or before the Voting Deadline.
- (n) An original executed Ballot is required. A Ballot delivered to the Solicitation Agent by facsimile, e-mail or any other electronic means will not be valid and therefore not counted.
- (o) If an objection to a claim or interest is filed with the Court by the Debtors or Committees before balloting on the Plan, the Ballot of the holder of such Disputed Claim or Interest will not be counted.
- (p) If multiple Ballots are received prior to the Voting Deadline from the same creditor with respect to the same claim or equity interest, the last timely received properly executed Ballot will be deemed to reflect that voter's intent and will supersede and revoke all such other Ballots.
- (q) The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the creditor or interest holder; (ii) any Ballot cast by a person or entity that does not hold a claim or interest in a class that is entitled to vote on the Plan; (iii) any Ballot cast for a claim scheduled as unliquidated, contingent or disputed

for which no proof of claim or proof of interest was timely filed; (iv) any Ballot that does not indicate either a vote to accept the Plan or a vote to reject the Plan; (v) any Ballot that votes to both accept and reject the Plan; and (vi) any unsigned Ballot.

- (r) No later than two (2) days before the Confirmation Hearing, unless such other date is set by the Bankruptcy Court, the Debtors shall file a Voting Report with the Bankruptcy Court which will detail the tabulation of Ballots cast for or against the Plan. The Voting Report will also detail any defective, irregular or otherwise invalid Ballots that were waived by the Debtors and therefore not counted.

**Exhibit "C"**

**NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS INCLUDED IN THE MATERIAL MAILED WITH THIS BALLOT**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

<b>In re:</b>  <b>USA COMMERCIAL MORTGAGE COMPANY,</b> <b>Debtor.</b>	<b>Case No. BK-S-06-10725 LBR</b> <b>Case No. BK-S-06-10726 LBR</b> <b>Case No. BK-S-06-10727 LBR</b> <b>Case No. BK-S-06-10728 LBR</b> <b>Case No. BK-S-06-10729 LBR</b>
<b>In re:</b>  <b>USA CAPITAL REALTY ADVISORS, LLC,</b> <b>Debtor.</b>	<b>Chapter 11</b>  <b>Jointly Administered Under</b> <b>Case No. BK-S-06-10725 LBR</b>
<b>In re:</b>  <b>USA CAPITAL DIVERSIFIED TRUST DEED FUND,</b> <b>LLC,</b> <b>Debtor.</b>	
<b>In re:</b>  <b>USA CAPITAL TRUST DEED FUND, LLC,</b> <b>Debtor.</b>	
<b>In re:</b>  <b>USA SECURITIES, LLC,</b> <b>Debtor.</b>	
<b>Affects:</b> <input checked="" type="checkbox"/> All Debtors <input type="checkbox"/> USA Commercial Mortgage Company <input type="checkbox"/> USA Capital Realty Advisors, LLC <input type="checkbox"/> USA Capital Diversified Trust Deed Fund, LLC <input type="checkbox"/> USA Capital First Trust Deed Fund, LLC <input type="checkbox"/> USA Securities, LLC	

**BALLOT**

**TO ACCEPT OR REJECT DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION (AFFECTS ALL DEBTORS)**

**CLASS [Description of Claim or Interest]**

VOTING RECORD DATE: [\_\_\_\_\_]

**IMPORTANT**

**VOTING DEADLINE:** [\_\_\_\_\_] **at 4:00 p.m. prevailing Pacific Time**

REVIEW THE ACCOMPANYING DISCLOSURE STATEMENT FOR THE PLAN.

BALLOTS WILL NOT BE ACCEPTED BY FACSIMILE TRANSMISSION.

This Ballot is *not* a letter of transmittal and may *not* be used for any purpose other than to cast votes to accept or reject the Plan.

PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT AND RETURN IT IN THE ENCLOSED ENVELOPE PROMPTLY SO THAT IT IS RECEIVED BY THE SOLICITATION AGENT BY THE VOTING DEADLINE.

If you are the holder of a Class [Description of Claim or Interest] please use this Ballot to cast your vote to accept or reject the Debtors' Second Amended Joint Plan of Reorganization (the "Plan") which is being proposed by the Debtors. The Plan is Exhibit A to the Disclosure Statement dated [\_\_\_\_\_] (the "Disclosure Statement"), which accompanies this Ballot. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan. The Plan can be confirmed by the Bankruptcy Court and thereby made binding upon you if it is accepted by holders of [at least two-thirds in amount and more than one-half in number of allowed Claims/or two-thirds in amount of allowed Interests] in your class that vote on the Plan and if it otherwise satisfies the requirements of Section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not obtained, the Bankruptcy Court may nonetheless confirm the Plan if it finds that the Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the class or classes rejecting it, and otherwise satisfies the requirements of Section 1129(b) of the Bankruptcy Code.

**To have your vote count, this Ballot must be completed and returned to the address indicated on the enclosed return envelope by the Voting Deadline. Please see the "Instructions for Completing the Ballot" below for additional information.**

The Debtors reserve the right to amend the Plan. Amendments to the Plan that do not materially and adversely affect the treatment of holders of Claims or Interests in your class may be approved by the Bankruptcy Court at the confirmation hearing without the necessity of re-soliciting votes of holders of Claims or Interests in your class. If re-solicitation is required, the Debtors will furnish new Ballots to be used to accept or reject the Plan, as amended.

**PLEASE READ THE ATTACHED INSTRUCTIONS FOR COMPLETING THE BALLOT BEFORE COMPLETING THE BALLOT:**

**Item 1. Amount of your Class [Description of Claim or Interest]**

Name of Holder: \_\_\_\_\_

Amount as of the [Month day], 2006 Voting Record Date: \$ \_\_\_\_\_

**Item 2. Vote – Acceptance or Rejection of the Plan:** The Holder of the Class [Description of Claim or Interest] as set forth in Item 1 votes with respect to the proposed treatment of its Claim against the Debtors as follows (check one box only):

<input type="checkbox"/> to <b>ACCEPT</b> the Plan	<input type="checkbox"/> to <b>REJECT</b> the Plan
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**Item 3. Certifications:** By returning this Ballot, the undersigned certifies and/or acknowledges that:

- the Holder of the [Description of Claim or Interest] set forth in Item 1 above has been provided with a copy of the Disclosure Statement, including the Plan;
- the Holder of the [Description of Claim or Interest] set forth in Item 1 above has full power and authority to vote to accept or reject the Plan;
- the Holder of the [Description of Claim or Interest] set forth in Item 1 above has voted to accept or reject the Plan as set forth in Item 2 above;
- this solicitation of Plan acceptances is subject to all the terms and conditions set forth in the Disclosure Statement and the Plan; and

By signing and returning this Ballot, the undersigned certifies that (i) this Ballot has been executed on behalf of an entity or individual and (ii) the undersigned has full power and authority to execute this Ballot on behalf of such entity or individual:

Dated: \_\_\_\_\_

Name: \_\_\_\_\_  
(Print or Type)

Signature: X \_\_\_\_\_

By: \_\_\_\_\_  
(If Appropriate)

Title: \_\_\_\_\_  
(If Appropriate)

Telephone Number: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

**PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT TO  
BMC GROUP IN THE ENVELOPE PROVIDED.**

**THE VOTING DEADLINE IS [\_\_\_\_\_]**

**ALL BALLOTS MUST BE RECEIVED BY THE VOTING DEADLINE.**

**THE SOLICITATION AGENT IS BMC GROUP**

<b>Regular Mail:</b>	<b>Hand Delivery or Fed Ex:</b>
BMC Group Attn: USACM Solicitation Agent PO Box 911 El Segundo, CA 90245-0911	BMC Group Attn: USACM Solicitation Agent 1330 E. Franklin Ave. El Segundo, CA 90245

**IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE  
VOTING PROCEDURES, OR IF YOU NEED A BALLOT OR ADDITIONAL COPIES OF THE  
DISCLOSURE STATEMENT OR OTHER ENCLOSED MATERIAL, INCLUDING THE PLAN,  
PLEASE CALL (888) 909-0100.**

### INSTRUCTIONS FOR COMPLETING THE BALLOT

The Debtors are soliciting your vote pursuant to the provisions of chapter 11 of the Bankruptcy Code with respect to the Plan referred to in the Disclosure Statement. Please review the Disclosure Statement in its entirety, including the exhibits thereto, before you vote.

***Instructions: Please complete this Ballot as follows:***

- (a) vote to accept or reject the Plan by checking the appropriate box in Item 2;
- (b) review the acknowledgment set forth in Item 3;
- (c) review the certification and provide the information required in Item 3;
- (d) date this Ballot, and provide your address if it does not appear on the Ballot;
- (e) if you are completing this Ballot on behalf of another entity, you must indicate your relationship with such entity and the capacity in which you are signing, and;
- (h) return your ballot as indicated below:

**SO THAT IT IS RECEIVED BY THE SOLICITATION AGENT BY 4:00 p.m. prevailing Pacific Time on [\_\_\_\_\_]**

- **ANY BALLOT WHICH IS EXECUTED BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED;**
- **YOU MUST VOTE ALL YOUR CLAIMS OR INTERESTS *EITHER* TO ACCEPT *OR* TO REJECT THE PLAN AND YOU MAY NOT SPLIT YOUR VOTE.**
- **PLEASE MAIL YOUR BALLOT SO THAT IT WILL BE RECEIVED BY THE VOTING DEADLINE.**

<b>Regular Mail:</b>	<b>Hand Delivery or Fed Ex:</b>
BMC Group Attn: USACM Solicitation Agent PO Box 911 El Segundo, CA 90245-0911	BMC Group Attn: USACM Solicitation Agent 1330 E. Franklin Ave. El Segundo, CA 90245

- **IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED A BALLOT OR ADDITIONAL COPIES OF THE DISCLOSURE STATEMENT OR OTHER ENCLOSED MATERIAL, INCLUDING THE PLAN, PLEASE CALL (888) 909-0100**

This Ballot shall not constitute or be deemed a proof of claim, equity interest or an assertion of a claim or equity interest.